HOUSING MARKET INFORMATION

HOUSING MARKET OUTLOOK
Vancouver and Abbotsford CMAs

CANADA MORTGAGE AND HOUSING CORPORATION

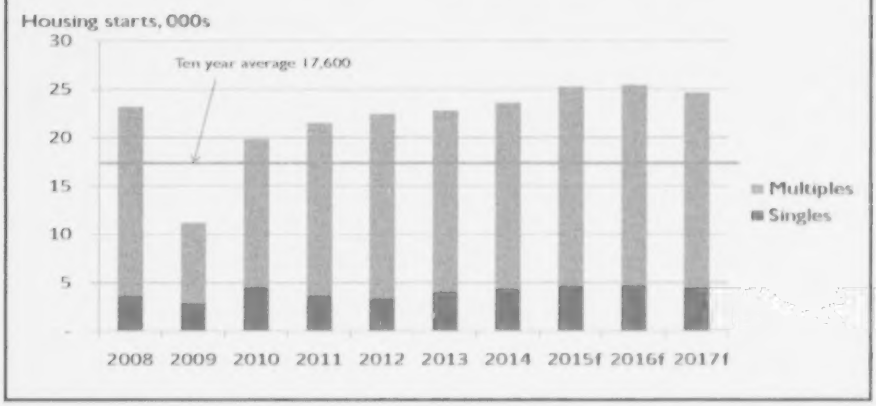
Date Released: Fall 2015

Vancouver Highlights

- After an above-average year of new home construction, housing starts are projected to hold steady at 20,700 in 2016 and 20,100 in 2017[1].
- MLS® sales are expected to reach 38,400 transactions in 2016 and 37,400 in 2017.
- The pace of growth in the MLS® average price is forecast to moderate, increasing 3.0 per cent in 2016 and 2.1 per cent in 2017 as sales moderate in response to rising mortgage rates.
- Rental housing will be in high demand, resulting in low vacancy rates to be sustained over the forecast horizon.

Figure 1

Housing Starts Expected to Stay High



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[1] Forecasts are based on information available as of September 25, 2015.

- Population and employment growth will be the primary drivers of housing demand, with low mortgage interest rates providing further support.

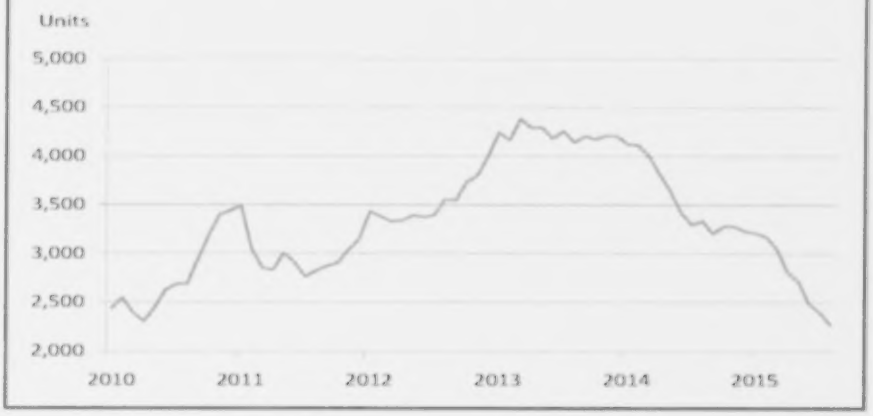
Vancouver CMA new home construction to remain stable over coming years

Housing starts are expected to top 20,300 units this year and are forecast to remain above the 10-year average with 20,700 and 20,100 starts projected in 2016 and 2017 respectively. (see Figure 1). Robust demand for new homes, supported by population and employment growth, was further bolstered by interest rate cuts earlier this year. Looking ahead, above-trend starts will be supported by these fundamentals in the near term. In particular, mortgage rates are expected to stay low for the next year, keeping buyers coming to the market. Steady job growth and continued net in-migration into the province are expected to lift demand for housing. Leading indicators, such as building permits, which have risen 21 per cent year-over-year in July, support this view of above-average new home construction going forward.

New single-detached home construction is expected to increase from 4,600 units in 2015 to 4,700 homes in 2016. A moderation in this pace of activity is forecast for 2017, after interest rates begin to increase. While raw, developable land remains relatively scarce, the elevated resale values and aging housing stock continue to encourage infill replacement housing within the City of Vancouver. In addition, new single-detached home construction is also increasingly including a mortgage helper unit in the form of a suite and/or a laneway home, which adds to total housing starts numbers. Outside the City of Vancouver, strong demand for new homes continues to drive construction in Richmond, on the North Shore and in Maple Ridge / Pitt Meadows as well as Surrey, where the South Fraser Perimeter highway may contribute to easier transportation and spark residential development in the area. This dispersed geographical pattern of single-detached home construction reflects demand for homes across the price spectrum.

Figure 2

Completed and Unabsorbed Inventory on Downward Trend



Multi-family home construction is forecast to rise from 15,700 units in 2015 to 16,000 units in 2016, before easing slightly to 15,600 units in 2017. Construction of new condominium projects continues to bring new supply on the market. Yet, healthy demand has kept completed and unabsorbed (unsold) inventories on a downward trend since early 2014 (see Figure 2). Along with homeowners, demand is expected to come from investors, who then may rent their unit, adding supply to the secondary rental market. Rental construction (purpose-built, accessory suites, etc.) is on an upward trend with a total of 1,944 units started in 2015 to August, accounting for about one in five new multiple units that began construction. This is about double the proportion of the past ten years, the majority of which is secondary rental units.

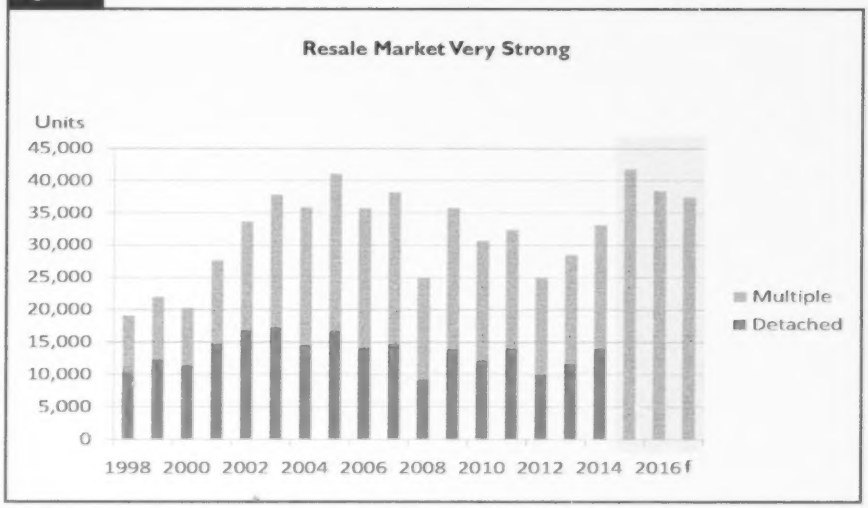
Strong demand to fuel resale market

Existing home sales in Vancouver Real Estate Board[2] area surged in the spring and summer months of 2015. Demand for homes benefitted from a strong labour market, population growth and low mortgage rates,

[2] This section concerns the resale market in the Real Estate Board of Greater Vancouver Area and therefore does not include Fraser Valley Real Estate Board area communities (Langley, South Surrey/White Rock, Surrey, North Delta and the Abbotsford-Mission CMA) which are covered in the Fraser Valley Resale section of this report.

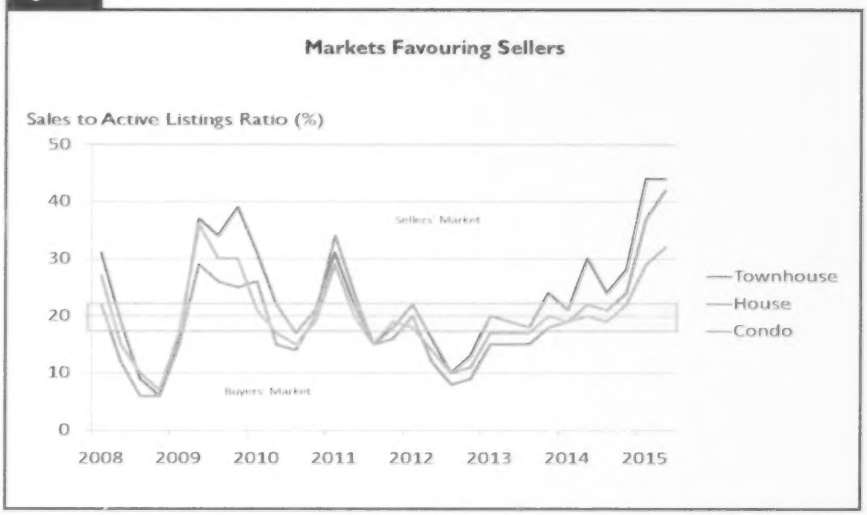
and underlying economic conditions are expected to remain supportive through the forecast period. Indeed, some sales may have been drawn forward as buyers took advantage of lower rates brought on by the surprise interest rate cuts earlier this year. Accordingly, sales are expected to reach 41,800 this year, the highest level since 2005, before easing back somewhat over the forecast period, declining to 38,400 in 2016 and 37,400 in 2017 (see Figure 3). In addition, a gradual normalization to slightly higher mortgage rates is expected at the end of 2016 and early 2017, which will have a dampening effect on demand for housing. Nonetheless, this pace of expected sales is still above their 10-year average of 33,100 units.

Figure 3



Higher home prices in 2015, low mortgage rates and buyers looking for homes likely encouraged sellers to bring their homes onto the market, with new listings rising 2.3 per cent in the first eight months of the year versus last year. However, sales continue to outpace new listings and pushed the sales-to-new-listings ratio higher, implying market conditions favouring sellers (see Figure 4). While the detached home and townhouse segments have been firmly in sellers' markets since last year, with sales jumping 32.5 per cent and 33.8 per cent year-to-date, the condo segment has joined in with a similar 32.5 per cent increase year-to-date.

Figure 4



These tighter resale markets and an increase in the share of single-detached home sales have pushed average home prices higher. The average MLS® home price is expected to increase 9.2 per cent to reach $887,600 this year, and rise by a more moderate 3.0 per cent in 2016 to $914,100. While the number of sales is expected to moderate to a level closer to their long run average, prices are expected to continue rising given sustained demand for homeownership. In 2017, the average price is expected to rise by a more modest 2.1 per cent, to $933,200, as activity slows in response to rising mortgage rates.

The extremely broad price range of single-detached home sales in Vancouver can have a considerable impact on the average home price. Considering the distribution of home sales so far in 2015, ranking them by price and then dividing the list into 5 groups from the most expensive to the least expensive demonstrates

this impact. Higher end homes, those in the top quintile of single-detached homes sold this year, cost an average of $2.69 million (see Table 1). By comparison, removing that quintile drops the average detached home price to $828,000, which compares to the much higher overall average price for a single detached home of $1.2 million. Single-detached houses that cost over $1 million in inflation adjusted terms[3] now account for 33 per cent of sales year-to-date, but only accounted for 6.0 per cent of total sales a decade ago, reflecting increased sales in higher end homes.

Across all segments, though, it is evident that resale markets are active and tight. Underlying fundamentals suggest that the demand will be well supported going forward. However, sales are likely to retreat slightly to still-elevated levels, while prices are expected to increase at a slower pace over the forecast horizon.

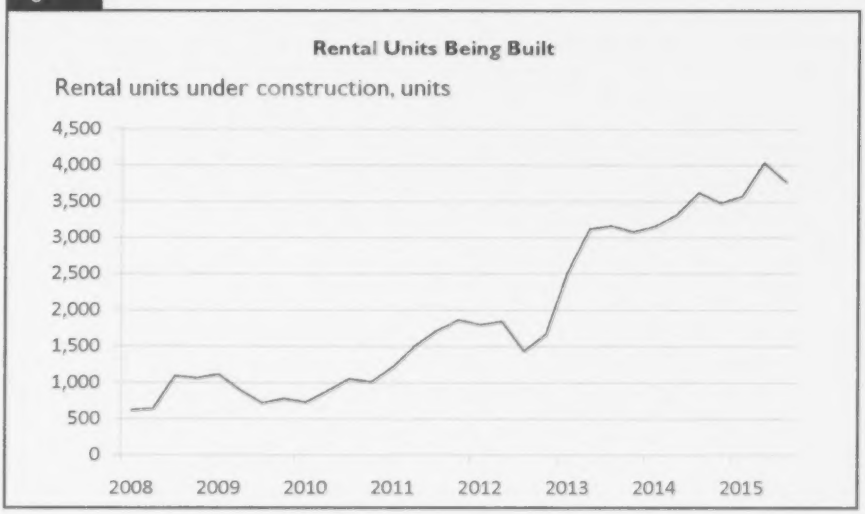
Table 1

Q1-Q3 2015 Quintile Analysis (MLS Prices - REBGV)

	Single Detached	Attached	Total
Avg Price	$1.20M	$523K	$871K
Top Quintile Avg Price	$2.69M	$1.02M	$2.08M
Bottom 4 Quintiles Avg Price	$828K	$399K	$569K
Top Quintile Price Range	$1.55M - $17.6M	$639K - $7.9M	$1.2M - $17.6M

Source: REBGV, calculations by CMHC. Categories include all homes (e.g. single detached includes floathomes & mobiles) and all areas of the REBGV.

Figure 5



Rental demand to stay elevated

A number of factors will contribute to rental demand in the Vancouver CMA. Population growth in the CMA, combined with the recent jump in home prices, is expected to keep demand high for rental accommodation around Vancouver. The population is forecast to expand by 1.2 per cent in each of the next two years, helped by interprovincial migration, and new job creation. In addition, the high cost of homeownership in Vancouver is expected to keep many in the rental market longer as they save for down payments. Consequently, the rental vacancy rate for 2015 is expected to fall to 0.8 per cent, the first time it has been below one per cent since 2008. It is expected to rise only slightly to one per cent in 2016 and 1.2 per cent in 2017.

Supply of rental units is expected to increase to help alleviate some pressures from the growing base of renters. Builders have responded to the low vacancy rates and rental construction (primary and secondary rentals) has been on an upward trend since 2013 with 2,267 primary units completed in the first eight months of this year and nearly 4,000 additional units under construction in 2015 (see Figure 5). Demand is also being met by a large and growing secondary rental market of investors renting out condominium units. It is now estimated that over one-quarter of the stock of condominiums in Vancouver are rented, about 51,600 units, and that these condominiums now account for about one-third of the universe of market rental units[4]. Demand is indeed strong, as the vacancy rate for these secondary rental units is an even tighter 0.7 per cent.

[3] One million dollars in 2005 is equivalent to $1.184 million in 2015.

[4] CMHC Rental Market Survey, 2014.

Average rents for both one and two bedroom units are expected to increase by 2.9 per cent in 2016, in line with the provincial allowable rent increase[5], with some possible upside risk as some rental units are renovated. Rents are forecast to rise by 2.2 per cent in 2017.

Economic Conditions Supportive of Demand

Economic activity in British Columbia, and in particular Vancouver, has been largely consistent with the outlook presented in the Spring Housing Market Outlook. Indeed, it has been robust even in the face of the shocks that have adversely affected other regions of the country. Real GDP for the province is expected to grow in line with the historical provincial average.

Population and labour market trends for Vancouver, both of which are key to housing markets, are robust. Employment for the first eight months of this year has expanded by 10,200 in the CMA, on top of the 28,700 added over 2014. Annual gains in overall employment are expected to average 27,000 over 2016 and 2017, keeping Vancouver a growth engine for jobs in the province.

Population growth will bolster the labour force to help fill jobs. Historically, Vancouver has been the primary destination for international migration to British Columbia. While there was a dip in the first quarter of 2015, there has been a net migration of 42,000 people into the province over the past couple of years. Overall, low unemployment rates suggest that the employment opportunities continue to be strong, particularly compared to other provinces that have been hard hit by the decline in commodity prices, especially oil. In addition, consistently high rankings internationally as a destination of choice are likely to keep migration patterns favourable for Vancouver. The CMA is expected to gain about 26,500 people through migration in each of the next few years, which when combined with household formation from the current population, will imply an addition of 18,600 households in 2016 and 16,300 households in 2017[6].

Reflecting confidence in Vancouver's economy, there has been a recent influx of new retail developments with Nordstrom coming to the Pacific Centre and two separate and sizeable outlet malls, one near the airport now open and one in Tssawassen that is currently under construction. Second quarter retail sales in Vancouver have risen 11.5 per cent year-over-year. This strong growth has been helped by the low Canadian dollar that has both kept Canadians at home and also brought in shoppers from the U.S.

The tourism industry and international trade more broadly also benefit from the lower currency. Year-to-date to July, the Vancouver International Airport reports a 5.3 per cent increase in total passenger traffic. In addition, the Port of Metro Vancouver has seen accumulated container traffic to August rise 5.4 per cent year-to-date over 2014.

Non-residential investment will also contribute to economic activity in the area. Major construction projects around the city are ongoing at the Vancouver International Airport ($1.8 billion), Oakridge Centre redevelopment ($1.5 billion), BC Children's and Women's Hospital redevelopment ($678 million), and the BC Place Entertainment project ($535 million).

Mortgage rates are expected to begin to rise moderately from current levels late in 2016

Mortgage rates are expected to continue trending close to current levels, supporting housing demand. However, consistent with the view of Canadian economic forecasters, CMHC expects interest rates to begin to rise moderately from current levels late in 2016, contributing to a modest slowdown in housing markets.

According to CMHC's base case scenario for 2015, the one-year mortgage rate is expected to be in the 2.60 to 3.30 per cent range, while the five-year rate is forecast to be within the 4.10 to 5.20 per cent range. For 2016, the one-year mortgage rate is expected to be in the 3.00 to 3.80 per cent range, while the five-year rate is forecast to be within the 4.70 to 6.00 per cent range. For 2017, the one-year mortgage rate is expected to be in the 3.90 to 4.80 per cent range, while the five-year rate is forecast to be within the 5.10 to 6.50 per cent range.

[5] Residential Tenancy Branch, BC Government

[6] Source: BC Stats, P.E.O.P.L.E. 2015, released in September 2015; CMHC calculations.

Trends at a Glance

Key factors and their effects on housing starts	
Mortgage Rates	Mortgage rates will begin to rise gradually late in 2016, contributing to moderation in housing demand.
Population	The CMA is expected to see net in-migration over 2016 and 2017, supporting housing starts, and, more broadly, home buying and rental markets. Average annual population growth is forecast to average 26,500 over this time, leading to the formation of around 17,000 new households.
Employment	Full-time employment has been strong over recent months, and should continue to be a supportive factor for housing going forward. It is estimated job growth will expand by 2.1 per cent in 2016 and 2.2 per cent in 2017.
Income	Average weekly earnings growth has grown by an average of 2.2 per cent per year for the past three years. Steady earnings increases combined with expanding job growth, particularly for full-time positions, will sustain house buying activity.
Resale Market	Expect balanced conditions going forward. Sales have surged, possibly pulling forward some activity from 2016. Nonetheless, solid fundamentals will keep activity at a high level, if not as strong as 2015. Prices are expected to continue to rise, albeit at a lesser pace than this year.
Supply of Newly Completed and Unabsorbed Units	The trend of newly completed and unabsorbed condo units has declined since 2014, and supports new construction activity going forward.
Units Absorption	To date in 2015, absorptions have averaged 1,286 units per month, which is above the five-year average. Both single detached and semi-detached units have seen a similar pattern, contributing to the healthy level of construction activity.

Forecast Risks

This forecast is subject to some risks, including the following:

- There is concern that elevated levels of household debt could make households more susceptible to economic shocks, such as a deeper recession and a corresponding rise in unemployment. However, debt service ratios remain manageable, given the low absolute level of interest rates. As well, the impact would be spread out over the medium term given the prevalence of fixed-term mortgages.
- A diverging monetary policy outlook for the U.S. and Canada could put downward pressure on the Canadian dollar. Metro Vancouver generally benefits on the consumer side from both incoming tourism and fewer Canadians shopping across the border. However, more directly, prices of real estate in the CMA are more attractive to holders of US dollars.
- Long term interest rates are attractive to borrowers, but could increase more significantly with better-than-expected economic activity. Still, conventional posted five-year mortgage rates were 3.71 per cent in August, near the lowest on record.
- A stronger US economy, buoyed by accommodative monetary policy, could boost export growth in the CMA and push housing activity and purchases higher.
- A commonly cited risk for the Vancouver housing market relates to the elevated housing prices and risk over overvaluation. This will be discussed further in the HPAA outlook, which will be released later this year.
- Sustained lower levels of international net migration could reduce overall demand for housing in the city. If the decline in migration centres on temporary foreign workers, then rental housing markets are at higher risk.

Abbotsford-Mission CMA Highlights

- Higher level of housing starts expected in 2015 and 2016 before tapering off in 2017.
- Elevated MLS® sales above the ten-year average expected in both the Fraser Valley and Abbotsford-Mission CMA.
- Demand for single-detached houses and townhomes will contribute to higher average prices through to 2017.
- Positive job growth and migration into the CMA will support housing demand for the next couple of years.

Figure 6

Housing Starts to Increase in the Abbotsford-Mission CMA

Housing starts are expected to remain elevated in 2015 and 2016 before declining to lower levels in 2017. Demand has picked-up for new housing in the Abbotsford-Mission CMA, leading developers to begin construction on projects that have either been on hold or to expedite projects that have been in the planning stage. Though developers have welcomed a pick-up in demand, forecasted levels of housing starts remain below the 10 year average of 792 homes (Figure 6).

Rising demand will increase single-detached housing starts at the beginning of the forecast period. Low interest rates, and lower home prices compared to other centres surrounding the CMA, has increased demand for homeownership in the CMA. Builders have reacted by moving forward on a number of housing projects. Single-detached housing starts are expected to finish 2015 at one-third above last year`s totals. In 2016, the number of single-detached starts will decline by 17 per cent and a further three per cent in 2017. However, these levels are above what has been recorded over the last four years.

Row (townhomes) housing is expected to remain steady through the forecast period. New townhome starts will be above 2014 figures as the demand for these units increases through to 2017. Townhomes are providing an option for a wide variety of buyers. The lower price of these units, compared to single-detached homes, cater to first time homebuyers that want more space and a land component to their property for gardens or an outside area for their children to play. Empty nesters are also looking at townhomes to downsize, but for reasons that are more associated to lifestyle, such as less home maintenance.

Apartment starts will increase in 2015 and 2016. Despite slow pre-sales and a rising inventory of completed and unabsorbed units in 2015, apartment starts are expected to rise as a number of projects begin construction. Rental units will also contribute to a rise in apartment starts during the first half of the forecast period as favorable economic conditions will increase migration into the CMA. With demand still favouring ground-oriented housing[7], in particular single-detached homes, apartment starts will decline in 2017.

MLS® Sale and Prices Expected to Move-Up

Buyer demand has picked up in the Abbotsford-Mission CMA, with over 3,000 annual MLS® home sales expected through the forecast period. MLS® home sales in the CMA are expected to be above the 10 year average and reach 3,300 transactions in 2015 before edging down in 2016 and 2017. The last time home sales

[7] Ground-oriented housing consists of single-detached, semi-detached and row or townhome structures.

were above 3,000 transactions was before the economic downturn of 2008. Factors such as favourable mortgage rates and lower home prices compared to neighbouring centres have attracted buyers on a wide variety of dwelling types. First-time homebuyers have especially been able to leverage these low rates into more affordable apartment condominiums in the region as sales are up 23 per cent through the first eight months of the year.

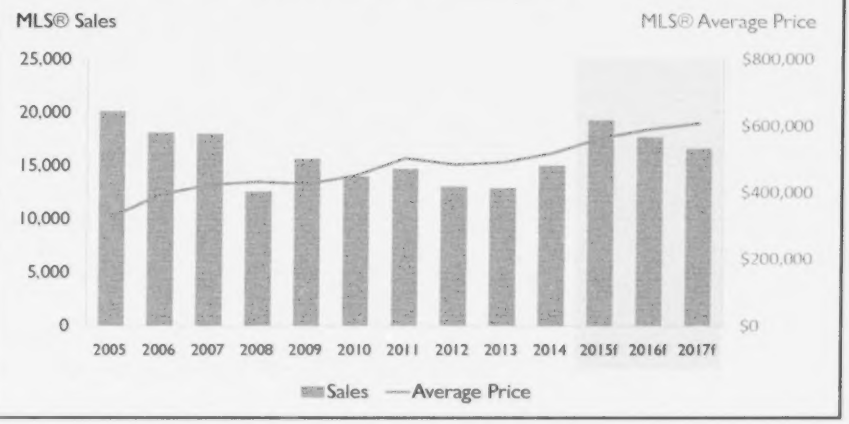
Like other centres in the Fraser Valley, ground-oriented style housing is the preferred choice for buyers in the Abbotsford-Mission CMA. MLS® Sales of townhomes have increased at the same pace as apartment condominiums in 2015, as buyers stretch either on their down payment or mortgage payment in order to buy more living space. Strong demand for affordable yet larger living space has resulted in townhome sales outpacing apartment condominium sales four of the last five years.

Buyer preference is towards single-detached homes as MLS® sales of this housing type make up close to two-thirds of all resales in the region. The average price of a single-detached house in the CMA is almost $200,000 less than a home in neighbouring centres such as Langley and Surrey. With an increase in employment expected over the next couple of years, along with increase migration into the region, expect the demand for single-detached homes to remain strong during the forecast period.

Average MLS® home prices are expected to rise over the next two years. Sales have outpaced new listings during 2015 as buyers take advantage of low mortgage rates. With less supply on the market, prices have moved up and are expected to finish the year five per cent above 2014 levels. With the supply of homes for sale expected to rise slightly during 2016 and 2017, average price increases will taper down, rising 3.2 per cent in 2016 and 2.7 per cent in 2017.

Figure 7

MLS® Prices to Rise Through 2017
Fraser Valley Real Estate Board



MLS® sales in the Fraser Valley[8] are expected to reach the highest level since 2005 this year. Similar to Abbotsford-Mission CMA, favourable buying conditions and a steady job market has spurred resale activity. Fraser Valley MLS® sales are expected to end the year close to 30 per cent above 2014 totals. Strong sales will continue through the first half of 2016, before lessening during the remainder of the year and into 2017. Throughout the forecast period, MLS® sales are expected to be higher than the 10 year average of 15,420.

Ground-oriented housing will continue to lead sales in the Fraser Valley. Unlike Greater Vancouver where 40 per cent of MLS® sales are apartment condominiums[9], demand will be for single-detached houses and townhomes. This is attributable to the fact that prices for single-detached houses and townhomes are 50 per cent and 40 per cent lower respectively than the average price for similar properties located in the Real Estate Board of Greater Vancouver. Price points have attracted a variety of buyers into the area, especially into Surrey and Langley, which make up over 70 per cent of all MLS® sales in the Valley.

Growing demand will push house prices upward in the Fraser Valley. Lower listings and rising sales will cause average prices to move higher in 2015, by 8.8 per cent. Though demand is expected to taper during the remainder of the forecast period, prices are expected to rise a further 4.7 per cent in 2016 and 2.9 per cent in 2017 (Figure 7).

[8] Fraser Valley Real Estate Board Area (Includes Surrey, Langley, North Delta, White Rock, Abbotsford and Mission).

[9] Apartment condominiums make up 16 per cent of sales through 2015 in the centres that make up the Fraser Valley Real Estate Board.

Greater demand for single-detached houses and townhomes, which are more expensive than apartment condominiums, will also contribute to growth in prices over the forecast period.

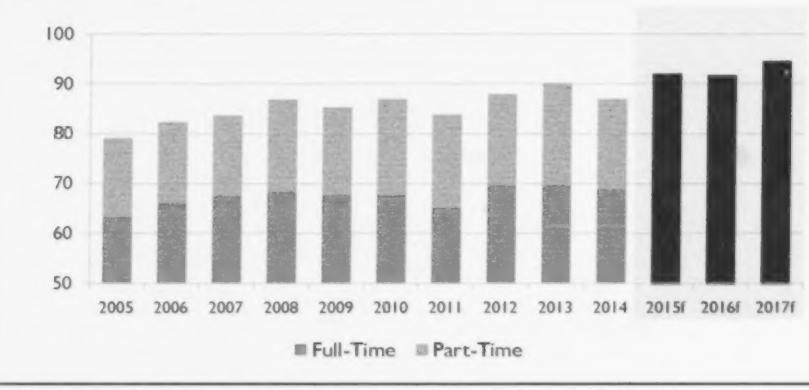
Rental Demand Expected to Increase

Increased rental demand in the Abbotsford-Mission CMA will move vacancy rates below 3.0 per cent. Strong job growth is expected to be one of the factors that will keep migration above 1,300 people annually during the forecast period. In particular, the 20-29 age group is expected to increase over the next few years in the region. With the propensity for this age cohort to rent, vacancy rates are expected to be between 2.7 per cent to 2.9 per cent from 2015 to 2017.

Limited new supply of rental accommodations will affect rental rates. Along with rising demand, there will be very few purpose built rental units added during the forecast period. Even though there are a number of rental proposals in the region, any new purpose built rental supply will not be completed and available for rent until the latter half of the forecast period. The major supply of new rental units will come from secondary rentals such as accessory suites and apartment condominiums. These two factors (limited supply and rising demand) will raise rents near or above the rate of inflation through to 2017.

Figure 8

Modest Employment Gains Expected
Abbotsford-Mission CMA



Source: Statistics Canada, Forecast by CMHC

Housing Demand Supported by Job and Population Growth

Improvements in the labour market will support buyer demand. Manufacturing, which is a major industry in the Abbotsford-Mission CMA, has been bolstered by a lower Canadian dollar. Other industries related to manufacturing in the goods sector, such as construction and agriculture, have also benefited. Abbotsford City's location near the Canada/US border has caused an uptick in sectors such as transportation and warehousing and accommodations and food services. The region will continue to benefit as the Canadian dollar is expected to remain low while the US economy continues to strengthen over the next few years. Total employment is expected to grow by 8.7 per cent by the end of 2017 (Figure 8).

Housing demand will be supported by net migration in the CMA, which is expected to be 1,300 annually for the next two years. Net migration will come from a variety of age groups. The University of the Fraser Valley continues to bring in young people in surrounding areas to its campus[10], keeping demand steady for rental accommodations. The region is also popular with empty nesters due to its low housing prices together with retail and service amenities. Overall, household growth[11], which supports new housing construction, is expected at 1.5 per cent annually over the next five years.

[10]The City of Abbotsford has created a long-term vision document that looks at investment, such as residential and commercial developments, around the University of the Fraser Valley.

[11]Growth rate projected using data from BC Stats P.E.O.P.L.E. 2015.

Trends at a Glance

Key factors and their effects on housing starts	
Mortgage Rates	Interest rates are expected to normalize as economic conditions improve over the next few years. As a result, rates are expected to rise slowly around the end of 2016. Nonetheless, they are currently, and expected to remain, near historical low levels going forward.
Population	Migration growth is expected to grow in 2015 to 1,250 and hold steady at this amount for the next couple of years.
Employment	Although employment is expected to hold steady in 2016, overall employment growth from 2015 to 2017 will be 8.7 per cent.
Income	Average weekly earnings growth forecast at seven percent due to higher paying jobs being created in the goods sector.
Resale Market	Favourable mortgage rates, and lower home prices compared to centres in Greater Vancouver, will keep demand strong in the region. Expect sales for ground-oriented types of housing to be greater than apartment condominiums.
Supply of Newly Completed and Unabsorbed Units	The inventory of newly completed and unabsorbed units has declined for ground-oriented types of housing.
Units Absorption	Overall, absorptions have been stronger for single-detached homes due to affordable prices compared to neighbouring centres and underlying economic conditions that favour buyers.

Risks to the Outlook

- There are a number of large developments proposed in the Abbotsford-Mission CMA. Some of these projects were proposed over five years ago and have a combination of single-detached and multiple-family homes along with a commercial component. Due to the scale of these projects, planning has been deliberate to ensure that these developments meet city bylaws as well as public acceptance. Developers have also halted applications, waiting for the resale market to improve. If any of these proposals receive final approval over the next 18 months, housing starts will increase significantly during the latter half of the forecast period.
- The housing market is expected to be robust with MLS® sales and prices up in both the Fraser Valley and Abbotsford-Mission CMA. Historically low mortgage rates and positive growth in households and employment will contribute to demand outweighing supply for a brief time. As a result, buyers may need to extend their financial means in order to purchase a home. Sensitivity to mortgage rates can be high, especially among first-time home buyers. Along with any weakening in the labour force, any significant increase to mortgage rates will negatively impact sales and prices in the region.
- The low value of the Canadian dollar compared to the US dollar has been beneficial for the local economy and housing demand in the Abbotsford-Mission CMA. Strengthening of the US economy during the year has increased demand for local exports and local services, such as tourism. A risk to the forecast is expected if the Canadian dollar rises against the US dollar, causing a threshold where manufactured goods are not competitive against other exporting countries. As well, a slowdown in the US economy, especially in the states that are close to British Columbia, such as Washington, may impact demand for goods and services in the region.

Forecast Summary Vancouver CMA Fall 2015									
	2012	2013	2014	2015(F)	% chg	2016(F)	% chg	2017(F)	% chg
New Home Market									
Starts:									
Single-Detached	4,516	4,004	4,374	4,600	5.2	4,700	2.2	4,500	-4.3
Multiples	14,511	14,692	14,838	15,700	5.8	16,000	1.9	15,600	-2.5
Semi-Detached	480	510	508	530	4.3	530	0.0	525	-0.9
Row/Townhouse	2,389	2,373	2,719	2,845	4.6	3,000	5.4	3,025	0.8
Apartments	11,642	11,809	11,611	12,325	6.1	12,570	2.0	12,350	-1.8
Starts - Total	19,027	18,696	19,212	20,300	5.7	20,700	2.0	20,100	-2.9
Average Price ($):									
Single-Detached	1,224,974	1,456,875	1,471,827	1,548,000	5.2	1,560,000	0.8	1,579,000	1.2
Median Price ($):									
Single-Detached	899,000	1,099,000	1,158,000	1,225,000	5.8	1,250,000	2.0	1,280,000	2.4
New Housing Price Index (% chg)	-0.5	-1.0	-1.2	0.6	-	1.0	-	1.5	-
Resale Market									
MLS® Sales	25,445	28,985	33,693	41,800	24.1	38,400	-8.1	37,400	-2.6
MLS® New Listings	60,015	56,476	57,709	59,200	2.6	58,500	-1.2	58,000	-0.9
MLS® Average Price ($)	730,063	767,765	812,653	887,600	9.2	914,100	3.0	933,200	2.1
Rental Market									
October Vacancy Rate (%)	1.8	1.7	1.0	0.8	-0.2	1.0	0.2	1.2	0.2
Two-bedroom Average Rent (October) ($)	1,261	1,281	1,311	1,350	3.0	1,390	3.0	1,420	2.2
One-bedroom Average Rent (October) ($)	982	1,005	1,038	1,065	2.6	1,095	2.8	1,120	2.3
Economic Overview									
Mortgage Rate (1 year) (%)	3.17	3.08	3.14	2.60 to 3.30	-	3.00 to 3.80	-	3.90 to 4.80	-
Mortgage Rate (5 year) (%)	5.27	5.24	4.88	4.10 to 5.20	-	4.70 to 6.00	-	5.10 to 6.50	-
Annual Employment Level	1,247,100	1,247,600	1,276,300	1,286,500	0.8	1,313,500	2.1	1,342,400	2.2
Employment Growth (%)	1.9	0.0	2.3	0.8	-	2.1	-	2.2	-
Unemployment rate (%)	6.8	6.6	5.8	6.0	-	5.9	-	6.0	-
Net Migration	25,651	21,362	26,911	25,000	-7.1	26,500	6.0	27,000	1.9

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CMHC (Starts and Completions Survey, Market Absorption Survey), adapted from Statistics Canada (CANSIM), CREA, Statistics Canada (CANSIM)
NOTE: Rental universe = Privately initiated rental apartment structures of three units and over

Forecast Summary
Abbotsford-Mission CMA
Fall 2015

	2012	2013	2014	2015(F)	% chg	2016(F)	% chg	2017(F)	% chg
New Home Market									
Starts:									
Single-Detached	279	224	251	350	39.4	290	-17.1	280	-3.4
Multiples	258	525	248	340	[illegible]	380	11.8	180	-52.6
Semi-Detached	2	0	2	0	-100.0	0	n/a	0	n/a
Row/Townhouse	135	91	65	85	30.8	85	0.0	85	0.0
Apartments	121	57	181	255	40.9	295	15.7	95	-67.8
Starts - Total	371	749	499	690	38.3	670	-2.9	460	-31.3
Average Price ($):									
Single-Detached	571,386	574,842	562,554	546,500	-2.9	546,000	-0.1	561,000	2.7
Median Price ($):									
Single-Detached	528,037	565,000	549,900	536,000	-2.5	542,000	1.1	557,000	2.8
New Housing Price Index (% chg) (B.C.)	-0.8	-1.0	-1.2	-1.6	-	0.8	-	0.6	-
Resale Market(1)									
MLS® Sales	13,083	12,895	15,017	19,300	28.5	17,700	-8.3	16,600	-6.2
MLS® New Listings	27,786	25,964	27,396	28,000	2.2	28,400	1.4	28,700	1.1
MLS® Average Price ($)	483,730	490,433	517,718	563,500	8.8	590,000	4.7	607,000	2.9
Rental Market									
October Vacancy Rate (%)	4.2	3.2	3.1	2.9	-0.2	2.7	-0.2	2.7	0.0
Two-bedroom Average Rent (October) ($)	818	820	835	850	1.8	865	1.8	881	1.8
One-bedroom Average Rent (October) ($)	661	676	684	694	1.5	705	1.6	715	1.4
Economic Overview									
Mortgage Rate (1 year) (%)	3.17	3.08	3.14	2.60 to 3.30	-	3.00 to 3.80	-	3.90 to 4.80	-
Mortgage Rate (5 year) (%)	5.27	5.24	4.88	4.10 to 5.20	-	4.70 to 6.00	-	5.10 to 6.50	-
Annual Employment Level	87,900	90,200	86,900	92,000	5.9	91,700	-0.3	94,500	3.1
Employment Growth (%)	4.8	2.6	-3.7	5.9	-	-0.3	-	3.1	-
Unemployment rate (%)	8.1	7.7	7.4	5.8	-	6.1	-	6.0	-
Net Migration	1,323	817	1,045	1,250	19.6	1,300	4.0	1,300	0.0

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CMHC (Starts and Completions Survey, Market Absorption Survey), adapted from Statistics Canada (CANSIM), Fraser Valley Real Estate Board (figures may differ from CREA due to inclusion of only single detached and condo data), Statistics Canada (CANSIM)

NOTE: Rental universe = Privately initiated rental apartment structures of three units and over

(1) Resale Market data and forecasts are for the Fraser Valley Real Estate Board Area (Includes Surrey, Langley, North Delta, White Rock, Abbotsford and Mission). Abbotsford CMA Resale Market data is published in the Housing Market Outlook - BC Regional Highlights.

** Percentage change more than 200 per cent.

DEFINITIONS AND METHODOLOGY

New Home Market

Historical home starts numbers are collected through CMHC's monthly Starts and Completions Survey. Building permits are used to determine construction sites and visits confirm construction stages. A start is defined as the beginning of construction on a building, usually when the concrete has been poured for the whole of the structure's footing, or an equivalent stage where a basement will not be part of the structure.

Single-Detached Start:

The start of a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure.

Semi-Detached Start:

The start of each of the dwellings in a building containing two dwellings located side-by-side, adjoining no other structure and separated by a common or party wall extending from ground to roof.

Row (or Townhouse) Start:

Refers to the commencement of construction on a dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

Apartment and other Starts:

Refers to the commencement of construction on all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

Average and Median Single Detached Home Prices:

Are estimated using CMHC's Market Absorption Survey, which collects home prices at absorption and measures the rate at which units are sold or rented after they are completed. Dwellings are enumerated each month after a structure is completed until full absorption occurs. The term "absorbed" means that a housing unit is no longer on the market as it has been sold or rented.

New Home Price Indexes:

Changes in the New Home Price Indexes are estimated using annual averages of Statistics Canada's monthly values for New Housing Price Indexes (NHPI).

Resale Market

Historical resale market data in the summary tables of the Housing Market Outlook Reports refers to residential transactions through the Multiple Listings Services (MLS®) as reported by The Canadian Real Estate Association (CREA). In Quebec, this data is obtained by the Centris® listing system via the Quebec Federation of Real Estate Boards.

MLS® (Centris® in the province of Quebec) Sales:

Refers to the total number of sales made through the Multiple Listings Services in a particular year.

MLS® (Centris® in the province of Quebec) Average Price:

Refers to the average annual price of residential transactions through the Multiple Listings Services.

Rental Market

Rental Market vacancy rates and two bedroom rents information is from Canada Mortgage and Housing Corporation's (CMHC's) October Rental Market Survey (RMS). Conducted on a sample basis in all urban areas with populations of 10,000 and more, the RMS targets privately initiated structures with at least three rental units, which. have been on the market for at least three months. The survey obtains information from owners, managers, or building superintendents through a combination of telephone interviews and site visits.

Vacancy Rate:
The vacancy rate refers to the average vacancy rate of all apartment bedroom types. A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Two Bedroom Rent:
The rent refers to the average of the actual amount tenants pay for two bedroom apartment units. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water.

Economic Overview

Labour Force variables include the Annual Employment Level, Employment Growth, Unemployment Rate. Source: Statistics Canada's Labour Force Survey.

Net Migration:
Sum of net interprovincial (between provinces), net intra-provincial (within provinces), net international (immigration less emigration), returning Canadians and temporary (non-permanent) residents as provided to the CANSIM database by Statistics Canada's Demography Division. Sources of inter-provincial and intra-provincial migration data include a comparison of addresses from individual income tax returns for two consecutive years from Canada Revenue Agency (CRA) taxation records. The migration estimates are modelled, with the tax file results weighted to represent the whole population.

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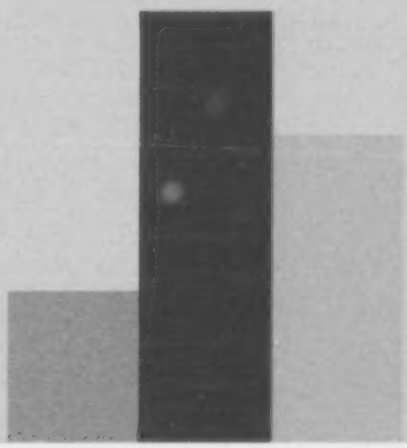

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- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
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